



**Islamic Republic Of Afghanistan
Kabul Municipality**



DONOR COORDINATION POLICY STANDARD OPERATING PROCEDURES

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Signature:_____



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Acronyms

ANDS	Afghanistan National Development Strategy
DAB	Da Afghanistan Bank (Afghanistan's Central Bank)
DM	Deputy Mayor
GIRoA	Government of Islamic Republic of Afghanistan
KM	Kabul Municipality
MoF	Ministry of Finance
MoU	Memorandum of Understanding



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Definitions: The following definitions apply to this Standard Operating Procedure:

Donor: All parties interested in funding Kabul municipality projects, services, equipments and other materials, and other beneficial activities to the municipality without expecting their own benefits are called Donors.

Core Budget: Includes all income and expenditure (including donor funds) that pass through and are administered by the Ministry of Finance (through the Treasury Single Account).

External budget/funds: A sub-program/activity that is funded directly by an aid donor and whose financing does not go through the Ministry of Finance accounts.

Indicator: The unit used to measure an outcome or output. International best practice to list these separately to the actual name of the outcome or output, to ensure clarity.

Mid-Term stands for a period varying between 1-3 years.



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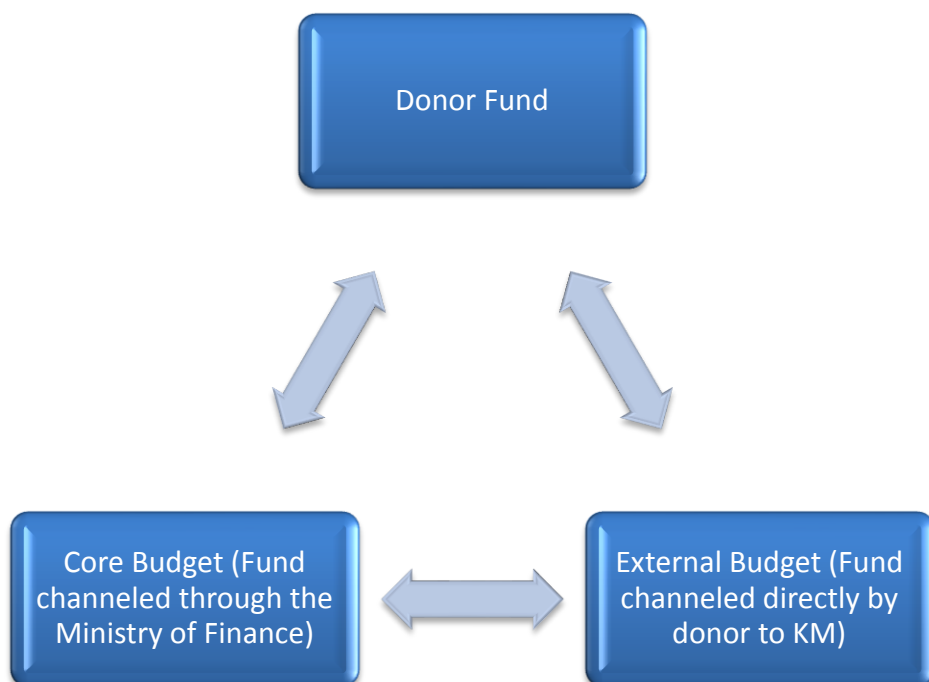
Background

The purpose of this procedure is to lay out concrete guidelines for KM to develop common arrangements between donor and KM for planning, managing and delivering aid and to promote sharing of information to improve transparency and coordination. By successful implementation of this procedure, KM will be able to better use the funds in achieving its long term development outcomes by aligning the donor support with the KM's strategic objectives and goals.

When there are many independent, uncoordinated donors, responsibility for success or failure is diffused. It's therefore the responsibility of the KM to ensure that clear coordination mechanism exists and the donor country policies and agendas are aligned with the national government's macro-economic policies and development objectives.

The scope of the SoP is only limited to the funds that are channeled through KM's external budget and that KM has influence and authority over to coordinate. It doesn't cover donor funds channeled through the core budget of the Government of Afghanistan and managed by the Aid Coordination General Directorate of the Ministry of Finance.

Figure A.1: Funding Modality





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1. Funding through the Core Budget: Coordination through Ministry of Finance

As can be seen in the above figure, if funds are directed through the core budget of the government, coordination between donors is conducted by the MoF. MoF has established an Aid Coordination General Directorate which manages all the donor funds and ensures that funds are aligned with the government's national development policies and priorities. The Aid Coordination Unit meets with donors and recipient ministries and budgetary units on a regular basis to monitor the performance of the donor-funded projects, and ensures that the disbursements through the MoF and DAB (Da Afghanistan Bank) are smoothly channeled. Meetings also focus on specific development problems, and the whole set of objectives, policies, and implementation procedures, as well as fund raising issues, may be discussed.

2. Funding through KM's External Budget: Coordination by Kabul Municipality

If funds are channeled through the external budget, KM is committed to implementing the following key procedures, as the actor essentially responsible for aid harmonization, which donor partners will support and work with.

1. Of the foremost importance, the KM develops an overall mid-term Result Framework in accordance with Afghanistan National Development Strategy (ANDS) which sets KM's goals, objectives, outcomes, activities and outputs.

The below Table A.1 is a sample of the Result Framework that KM shall use to identify and plan its long term strategic objectives. The Result Framework shall mention the sector objectives reflected in ANDS, the objectives supported with measurable indicators and risks and assumptions and the activities with expected outputs that would contribute to the achievement of objectives.

Table A.1: Sample Result Framework

Risks & Assumptions	Means of Verification	Indicators	Impacts	Sector Goals
Risks & Assumptions	Means of Verification	Indicators	Sector Outcomes	Sector Objective:
Risks & Assumptions	Means of Verification	Indicators	KM Outcomes	KM Objective:



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Risks & Assumptions	Means of Verification ¹	Indicators	Outputs	KM Activities

2. In the second step, the KM must identify which of the activities reflected in the Result Framework are funded. The funding may come from a donor, MoF, or from the internal revenue sources. This practice would incline the KM management to seek funding for activities that aren't funded yet. The activities that are funded would then require close coordination between donors and KM to ensure that the planned outcomes are achieved. Table A.2 summarizes the donors' commitments for the activities referenced with the Result Framework.

Table A.2: The funding status of the activities

Activity Reference No.	Activity Description	Duration of Activity/Project		Funding Status	(a)	(b)	(c) = (a-b)	(d)	(e)	(f)	(g)
		Start date	End-date		Planned Amount (US\$)	Funded Amount (US\$)	Shortfall (US\$)	Area funded	Amount Spent	Fund Source	Year of contribution

3. KM shall maintain a comprehensive list of donor contact details. The contact details shall be updated from time to time to account for any changes in the focal points or other contact details. The contact details will facilitate the Policy and Coordination Unit to smoothen communication and sharing of information with donors.
4. In this step, the KM has to form Monitoring and Advisory groups who will monitor the performance of donors and ensure that the donor activities are in alignment with the KM's strategic objectives. The members of the M&A groups shall be chosen from Policy



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and Coordination, Revenue, Accounting, IT, Design and Implementation and City Services departments.

5. The KM's Policy and Coordination unit has to call for meetings once every two months at KM headquarters. The donors' representatives will present their progress, which will be closely scrutinized by the Monitoring and Advisory group members and KM's management team. Management may provide further suggestions and recommendations to donors to improve the performance.
6. The Policy and Coordination unit shall assign one person to record the minutes of the meetings and report to management on the important discussion points and the decisions taken during the meetings. The minutes shall be properly filed for future reference.
7. The meeting minutes shall be forwarded to the donor representatives to follow-up on the decisions and commitments made by the donor representatives. In the next bi-monthly meeting, the progress on the decisions of the previous meeting shall be reported first to the Mayor/Deputy Mayor.
8. The Donor representatives shall submit their quarterly and annual progress reports to the KM for review. The Policy and Coordination unit shall closely scrutinize the reports submitted by donors and ensure that progress can be verified. In case of any confusion over the progress and other matters mentioned in the report, the Policy and Coordination unit shall contact the donor representative for clarification.
9. Finally, the Monitoring and Advisory Groups have to submit their monitoring and evaluation reports to the Mayor/Deputy Mayor about their findings and recommendations.

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